

Exhibit 2

[TRANSLATION]

Contact Report

Date: 2/14/2003

Counterpart: IRICO Group Export Sales Department, Manager *Ms.* Yuan Liang

CPT: Assistant Vice President Sheng-Jen (S.J.) Yang, Shih-Ming
(Maxim) Chen

Content:

I. IRICO's production and sales plans and production line allocation situation

1. *CPT* has a total of seven production lines, including 14"*2, 21"*FS* 2, 25"*1, 21"*PF / 25"*PF*1, and 29"*PF*1. Another 15"*CDT line with a production capacity of 150k/m is currently shut down and will be converted to produce 15"*PF TV tubes. It has started quoting to the public.
2. The 2003 plan is 10.7M: among it, 14"*3,620k; 21"*FS*3,600k; 25"*1,550k; 21"*PF*600k; 25"*PF*500k; and 29"*PF*600k. IRICO emphasized that as a government-owned enterprise, nearly half of its 12,000 employees are working on the 2 -14" production lines. To ensure their job security, it has to produce 14" even if it loses money.

II. The situation in Turkey:

IRICO said that its total market sales volume to Turkey was approximately 500k in 2002. Of those, as for *Vestel*: *Vestel* sourced color tubes from as many as six makers. IRICO's annual sales volume to *Vestel* in the past years was at about 500–600k in the past (it was 1 million at the highest). Since the *EC* has set *anti-dumping* against *Vestel*'s 14", the sales were merely 250k in 2002 and there had been no orders for 14" since December, 2002. IRICO believes that should have been because of their high prices. (IRICO said that since September 2002 their unit price has been *FOB* \$23.90??) We indicated that after *CPTUK* downsized the scale of its operations in December of last year, in Europe the local supply has decreased by 1.5-2 million/per year. Of all the *CRT* factories, the local *PHS* benefited the most. The *CRT* factories outside of Europe have had increased opportunities for deliveries. Therefore price pressures should have been somewhat reduced. For *CPT*, during *Vestel*'s visit in September to *CPTT* last year, it requested a price of below *USD*22.0 for 14", which was far from our quote of *USD*23.5, therefore there has been no progress

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Translator's remarks are indicated in brackets [].

so far, other than the *UK* factory which may be able to clear its inventories in January and February with lower prices. As for *Thai-CRT*, further understanding is yet to be obtained.

III. *CRT* price, production and sales situation in mainland China:

1. IRICO indicated that domestic sales prices for 21" *FS* in mainland China are about *RMB*425-430 under (= *usd*39-39.5). (Slightly lower for Changhong.) The so called export prices in mainland China are around *usd*41. (They could be slightly higher or lower in a few cases.) The direct export prices are slightly lower, such as Shanghai Evernew's *FOB usd*39.0. (*usd*1.0 will be added when using Mitsui.) SEG-Hitachi quoted *usd*40-40.5 as well. Guangdong Fortune's price level is at *CIF usd*40.0. Their prices are in disarray.
2. As to 14", production capacity in mainland China has had a surplus. But since the situation for other tubes is OK, the price for 14" should not collapse. It said that the quotation of *usd*23.5 to Chuangwei is appropriate. It also said that Kitamatsu quoted *usd*23.2 to Chuangwei. However, IRICO revealed that Chuangwei's *CKD* customers had shown them an *Inv.* from *LPD* (Brazil) requesting a *CRT* price of *usd*22.0. Chuangwei was unable to accommodate it and had to lose that customer. *LG(I)* Offered Chuangwei *CIF HK*22.7. The prices appeared to be in disarray and are falling as well.
3. IRICO indicated that, comparing the same period of January of last year and this year, total production of color tubes was 3 million in January of last year

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versus 4.3 million in January of this year. Since demand in mainland Chinese market is strong, the 8 major makers continued their production during the Chinese New Year. Judging from the current situation, the domestic market is doing okay after the Chinese New Year and there is no sign of a big decline as previously expected.

4. Mainland China's 8 major color tube makers' production volume reached 47.8 million in 2002, and the sales volume reached 48.09 million. Of that, exports reached 12.24 million. Production output was 4.32 million in January of this year and sales was at 4.11 million. Of that, exports reached 900K.

IV. *CPT* tariff reference

1. *Russia: Asia* → *Russia* around 3-5%.
2. *Europe: 9.8% for Thailand, 14% for Malaysia, 11% for China.*

- End of Report -

Submitted respectfully to: President Jia-Fang (Jeff) Yue
HQ Assistant Vice President Sheng-Jen (S.J.) Yang /Assistant Vice President
Wen-Chun (Tony) Cheng The Vice President

Submitted respectfully by employee Shih-Ming (Maxim) Chen
02/18/2003

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接洽報告

日期：2003/02/14

對象：彩虹集團出口業務部部長 Ms.梁媛

華映：楊協理、陳時銘

內容：

一、彩虹產銷計劃及生產線配置狀況

- 1.CPT 生產線共 7 條其中包括 14''*21''FS*2, 25''*1, 21''PF/25''PF*1, 29''PF*1 另 1 條 15''CDT 線產能 150k/m 停產中，欲轉做 15''PF 電視管，已開始對外報價。
- 2.2003 年計劃 10.7M，其中 14''*3,620k、21''FS*3,600k、25''*1,550k、21''PF*600k、25''PF*500k、29''PF*600k。彩虹強調其為國營企業，全公司 12000 人中有近半數為 2 條 14''線工作，在保障工作權之情況下 14''即使是虧錢也得做。

二、土耳其狀況：

彩虹稱 02 年對土耳其市場總銷售量約 50 萬，其中就 Vestel 而言，Vestel 彩管來源達 6 家之多，而彩虹往年對 Vestel 年銷售量約 50~60 萬(曾高達 100 萬)，因 EC 對 Vestel 14''set anti-dumping，2002 年則只約 25 萬，14''自 2002 年 12 月至今訂單更掛零，彩虹認為應係其價高之故(自稱自 02 年 9 月起單價為 FOB \$23.90 ??)。我方表示 CPTUK 自去年 12 月縮小營運規模後，歐洲當地供應減少 150~200 萬台/年，CRT 廠除當地之 PHS 最受惠外，歐洲區外 CRT 廠交貨機會增加，則價格壓力應會較減，CPT 除 UK 廠可能於 1、2 月份以較低價格出清庫存外，Vestel 去年 9 月訪 CPTT 要求 14''*USD22.0 以下與我方報價 USD23.5 差距大，至今仍無進展。至於 Thai-CRT 如何則須進一步了解。

三、中國 CRT 售價及產銷狀況：

- 1.彩虹表示中國 21''FS 內銷價格約在 RMB425-430(=usd39-39.5)以下(對長虹會稍低)，在中國國內的所謂外銷價格則約在 usd41 左右(稍高或稍低的也有，但屬少數)。直接出口價格則有稍低如上海永新之 FOB usd39.0(透過三井商社另加 usd1.0)，賽格日立亦報 usd40~40.5，廣東福地則有 CIF usd40.0 之價位。價格呈現紊亂局面。
- 2.14''方面，中國產能已開始有剩，但因其他管種狀況尚可，14''價格應不致於大崩盤，表示對創維的報價以 usd23.5 為適當，並稱北松對創維之報價為 usd23.2。但彩虹亦透漏創維 CKD 客戶曾出示 LPD(巴西)之 Inv.要求 CRT 價 usd22.0，創維無法配合而丟掉該客戶，LG(I)對創維 Offer CIF HK22.7.。價格呈現紊亂且下跌之局面。
3. 彩虹稱就去年與今年 1 月份同期比而言，去年 1 月彩管總產出 300 萬今年 1 月

產出 430 萬，由於中國市場需求旺盛，8 大廠家春節仍持續生產。而就目前情況判斷，春節後之內銷市場尚可，並未如預期大幅衰退之跡象。

4.中國 8 大彩管廠 2002 年產出量達 4,780 萬，銷售量則達 4,809 萬，其中出口達 1,224 萬；今年 1 月產出 432 萬，銷 411 萬，其中出口達 90 萬。

四、CPT 關稅參考

1.Russia：Asia→Russia 約 3~5%。

2.Europe：Thailand 為 9.8%、Malaysia 為 14%、China 為 11%。

以上 敬呈 樂總經理
 HQ 楊協理/鄭協理
 副總經理

職 陳時銘 敬呈
2003/02/18